

CHAPTER 1170**SCHOOL AND SCHOOL DISTRICT ACCREDITATION STANDARDS***H.F. 2474*

AN ACT providing for the adoption of administrative rules requiring school districts and accredited nonpublic schools to adopt policies relating to health services, media services programs and guidance programs as part of the accreditation standards applicable to school districts.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 256.7, Code Supplement 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 22. Adopt rules on or before January 1, 2001, to require school districts and accredited nonpublic schools to adopt local policies relating to health services, media services programs and guidance programs, as part of the general accreditation standards applicable to school districts pursuant to section 256.11. This subsection shall be applicable strictly for reporting purposes and shall not be interpreted to require school districts and accredited nonpublic schools to provide or offer health services, media services programs, or guidance programs.

Approved May 5, 2000

CHAPTER 1171**DEPARTMENT OF PERSONNEL — MISCELLANEOUS PROVISIONS***H.F. 2463*

AN ACT relating to the department of personnel by providing for the duties of the department, the administration of the department, and benefits provided state employees, and providing effective and retroactive applicability dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 19A.1, subsection 2, Code 1999, is amended to read as follows:

2. The department is the central agency responsible for state personnel management, including the following:

- a. Policy and program development, workforce planning, and research.
- b. Employment activities and transactions, including recruitment, testing examination, and certification of personnel seeking employment or promotion.
- c. Compensation and benefits, including position classification, wages and salaries, and employee benefits. Employee benefits include, but are not limited to, group medical, dental, life, and long-term disability insurance, workers' compensation, unemployment benefits, sick leave, deferred compensation, holidays and vacations, tuition reimbursement, and educational leaves. Employee benefits also include the Iowa department of public safety peace officers' retirement, accident, and disability system and the Iowa public employees' retirement system, which are maintained as distinct and independent systems within the department.

- d. Equal employment opportunity, ~~and affirmative action, and workforce diversity~~ programs.
- e. Education, ~~and training, and workforce development~~ programs.
- f. Personnel records and administration, including the audit of all personnel-related documents.
- g. Employment relations, including the negotiation and administration of collective bargaining agreements on behalf of the executive branch of the state and its departments and agencies as provided in chapter 20. However, the state board of regents, for the purposes of implementing and administering collective bargaining pursuant to chapter 20, shall act as the exclusive representative of the state with respect to its faculty, scientific, and other professional staff.
- h. The coordination and management of the state's human resource information system, except as otherwise required for those employees governed by chapter 262.

Sec. 2. Section 19A.1, subsection 3, Code 1999, is amended to read as follows:

3. The following part-time boards and commissions are within the department:

- a. The board of trustees of the public safety peace officers' retirement, accident, and disability system, created by section 97A.5.
- b. The investment board of the Iowa public employees' retirement system created by section 97B.8.
- c. ~~The affirmative action~~ equal opportunity in employment task force created pursuant to executive order, or its successor.

Sec. 3. Section 19A.1A, subsection 1, Code Supplement 1999, is amended to read as follows:

1. The chief administrative officer of the department is the director. The director shall be appointed by the governor, subject to confirmation by the senate. The director serves at the pleasure of the governor and is subject to reconfirmation after four years in office. The person appointed shall be professionally qualified by education and experience in the field of public personnel administration, including the application of merit principles in public employment, and the appointment shall be made without regard for political affiliation. The director shall not be a member of any local, state, or national committee of a political party, an officer or member of a committee in any partisan political club or organization, or hold or be a candidate for a paid elective public office. The director is subject to the restrictions on political activity provided in section 19A.18 ~~for employees in the classified service~~. The governor shall set the salary of the director within a range established by the general assembly.

Sec. 4. Section 19A.1A, subsection 3, Code Supplement 1999, is amended to read as follows:

3. The director may establish by rule divisions and other subunits as necessary for the organization of the department. The director may also establish regional field ~~service~~ offices staffed by employees of the department or the executive departments in which they are located. The functions and staffs of the regional offices are subject to policies set by the director ~~of the department of personnel~~.

Sec. 5. Section 19A.2A, Code 1999, is amended to read as follows:

19A.2A PURPOSE AND APPLICABILITY OF CHAPTER.

The general purpose of this chapter is to establish for the state of Iowa a system of personnel administration based on merit principles and scientific methods to govern the appointment, compensation, promotion, welfare, development, transfer, layoff, removal, and discipline of its civil employees, and other incidents of state employment. It is also the purpose of this chapter to promote the coordination of personnel rules and policies with collective bargaining agreements negotiated under chapter 20.

All appointments and promotions to positions ~~is~~ covered by the state merit system shall be made solely on the basis of merit and fitness, to be ascertained by ~~competitive~~ examinations or other appropriate screening methods, except as otherwise specified in this chapter.

Provisions of this chapter pertaining to qualifications, examination, ~~competitive appointment certification~~, probation, and just cause ~~hearings~~ apply only to employees covered by the merit system.

Sec. 6. Section 19A.3, subsections 5, 8, 10, 15, and 20, Code 1999, are amended to read as follows:

5. All presidents, deans, directors, teachers, professional and scientific personnel, and student employees under the jurisdiction of the state board of regents. The state board of regents shall adopt rules not inconsistent with the objectives of this chapter for all of its employees not cited specifically in this subsection. The rules are subject to approval by the director ~~of the department of personnel~~. If at any time the director determines that the board of regents merit system ~~does~~ rules do not comply with the intent of this chapter, the director may direct the board to correct the rules. The rules of the board are not in compliance until the corrections are made.

8. ~~Part-time persons~~ Persons who are paid a fee on a contract-for-services basis.

10. Residents, patients, or inmates working in state institutions, or persons on parole working in work experience programs ~~for a period no longer than one year.~~

15. The chief deputy administrative officer and each division head administrator of each executive department not otherwise specifically provided for in this section, and physicians not otherwise specifically provided for in this section. As used in this subsection, "division head administrator" means a principal administrative or policymaking position designated by a chief administrative officer and approved by the ~~department of personnel~~ director or as specified by law.

20. ~~The superintendent of savings and loan associations and all employees of the savings and loan division of the department of commerce.~~

Sec. 7. Section 19A.3, unnumbered paragraph 2, Code 1999, is amended to read as follows:

The director ~~of the department of personnel~~ shall negotiate an agreement with the director of the department for the blind concerning the applicability of the merit system to the professional employees of the department for the blind.

Sec. 8. Section 19A.8, subsection 2, Code Supplement 1999, is amended to read as follows:

2. To establish and maintain a ~~roster list~~ of all employees in the executive branch of state government, ~~excluding employees of the state board of regents~~, in which there shall be set forth, as to each employee, the class title, pay, ~~or~~ status, and other pertinent data. For employees governed by chapter 262, the director shall work collaboratively with the state board of regents to collect such information.

Sec. 9. Section 19A.8, subsection 6, Code Supplement 1999, is amended to read as follows:

6. To investigate the operation and effect of this chapter and of the rules made under it and to report ~~semiannually~~ annually the director's findings and recommendations to the governor.

Sec. 10. Section 19A.8, Code Supplement 1999, is amended by adding the following new unnumbered paragraph following unnumbered paragraph 2:

NEW UNNUMBERED PARAGRAPH. The director may delegate any or all aspects of the recruitment, examination, and selection processes to an agency in the executive branch upon request by that agency. The director shall oversee all activities delegated to that agency.

Sec. 11. Section 19A.8, unnumbered paragraph 3, Code Supplement 1999, is amended to read as follows:

The director shall utilize appropriate persons, including officers and employees in the executive branch of state government, to assist in the ~~preparation and rating of tests~~ recruitment and examination of applicants for employment. ~~The director shall confer with agency~~

~~personnel to assist in preparing examinations for professional and technical classes. An appointing authority may excuse any employee under the appointing authority's jurisdiction from the employee's regular duties for the time required for work as an examiner. These officers and employees are not entitled to extra pay for their services, as examiners but shall be paid their necessary traveling and other expenses.~~

Sec. 12. Section 19A.9, subsections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 23, Code Supplement 1999, are amended to read as follows:

1. For the preparation, maintenance, and revision of a job classification plan that encompasses each job in the executive branch, excluding job classifications under the state board of regents, based upon assigned duties and responsibilities, so that the same general qualifications may reasonably be required for and the same pay plan may be equitably applied to all jobs in the same job classification. The director shall classify the position of every employee in the executive branch, excluding employees of the state board of regents, into one of the classes in the plan. An appointing authority or employee adversely affected by a job classification or reclassification decision may file an appeal with the director. Appeals of a classification or reclassification decision shall be exempt from the provisions of section 17A.11 and shall be heard by a committee appointed by the director. The classification or reclassification of a position that would cause the expenditure of additional salary funds shall not become effective if the expenditure of funds would be in excess of the total amount budgeted for the department of the appointing authority until budgetary approval has been obtained from the director of the department of management.

When the public interest requires a ~~diminution~~ decrease or increase of employees in any position or type of employment not otherwise provided by law, or the creation or abolishment of any position or type of employment, the director, acting in good faith, shall so notify the governor. Thereafter, the position or type of employment shall stand abolished or created and the number of employees therein reduced or increased.

3. For ~~open competitive~~ examinations to ~~test~~ determine the relative fitness of new applicants for the ~~respective positions~~ employment. Such examinations shall be practical in character and shall relate to such matters as will fairly ~~test~~ assess the ability of the applicant to discharge the duties of the position to which appointment is sought.

Where the Code of Iowa establishes certification, registration, ~~and or~~ licensing provisions, such documents shall be considered prima facie evidence of basic skills accomplishment and such persons shall be exempt from further basic skills ~~testing~~ examination.

~~Examinations need not be held until after the rules have been adopted, the service classified, and a pay plan established, but shall be held no later than one year after September 1, 1967. Such examinations~~ Vacancies shall be announced publicly at least fifteen days in advance of the date fixed for the filing of applications therefor, and shall be advertised through the communications media. The director may, however, in the director's discretion, continue to receive applications and examine candidates for a period adequate to assure a sufficient number of eligibles to meet the needs of the system, and may add the names of successful candidates to existing eligible lists ~~in accordance with their respective ratings~~.

4. For promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, and conduct. ~~Vacancies shall be filled by promotion whenever practicable and in the best interest of the system and shall be by competitive or noncompetitive examination. Such examinations shall be of the same nature and content as those used in establishing competitive registers for the class.~~ A promotion means a change in the status of an employee, from a position in one class to a position in another class having a higher entrance salary pay grade.

5. For the establishment of eligible lists for appointment and promotion, upon which lists shall be placed the names of successful candidates ~~in the order of their relative excellence in the respective examinations.~~ Eligibility for appointment from any such list shall continue for at least one year and not longer than three years.

6. For the rejection of ~~candidates or eligibles~~ applicants who fail to ~~comply with~~ meet reasonable requirements such as physical condition, training and experience, or who are habitual criminals or alcoholics who have not been rehabilitated from the use of alcohol for a period of six months, or addicted to narcotics, or who have attempted any deception or fraud in connection with an examination.

7. For the appointment by the appointing authority of a person ~~standing among the highest six scores~~ on the appropriate eligible list to fill a vacancy.

8. For a probation period of six months, excluding educational or training leave, before appointment may be made complete, and during which period a probationer may be discharged or reduced in class or rank, ~~or replaced on the eligible list pay.~~ The appointing authority shall within ten days prior to the expiration of an employee's probation period ~~notify the director in writing whether the services of the employee have been satisfactory or unsatisfactory.~~ If the employee's services are unsatisfactory, the employee shall be dropped from the payroll on or before the expiration of the probation period. If satisfactory, the appointment shall be deemed permanent. The determination of the appointing authority shall be final and conclusive.

9. For ~~emergency employment for not more than sixty calendar days in any twelve month period without examination, and for intermittent temporary employment for not more than one seven hundred twenty calendar days eighty hours in any twelve month period a fiscal year.~~ For intermittent employment the employee must have had a probationary, permanent, or temporary appointment.

10. For provisional employment ~~without competitive examination~~ when there is no appropriate eligible list available. ~~No such~~ Such provisional employment shall not continue longer than one hundred eighty calendar days ~~nor shall successive provisional appointments be allowed, except during the first two years after September 1, 1967, in order to avoid stoppage of orderly conduct of the business of the state.~~

11. For transfer from a position in one department to a similar position in the same department or another department involving similar qualifications, duties, responsibilities, and salary ranges. Whenever an employee transfers or is transferred from one state department or agency to another state department or agency, the employee's seniority rights, any accumulated sick leave, and accumulated vacation time, as provided in the law, shall be transferred to the new place of employment and credited to the employee. Employees who are subject to contracts negotiated under chapter 20 which include transfer provisions shall be governed by the contract provisions.

12. For reinstatement of persons who have attained permanent status and who resign in good standing or who are laid off from their positions without fault or delinquency on their part, ~~within a period equal to the period of their continuous employment with the state but for a period of not longer than two years.~~

13. For establishing in cooperation with the appointing authorities a performance management system of service records of for all employees in the executive branch of state government, excluding employees of the state board of regents, which ~~service records~~ shall be considered in determining salary increases ~~provided in the pay plan;~~ as a factor in ~~promotion tests~~ promotions; as a factor in determining the order of layoffs ~~because of lack of funds or work~~ and in reinstatement; as a factor in demotions, discharges, ~~or~~ and transfers; and for the regular evaluation, at least annually, of the qualifications and performance of those employees.

14. For layoffs by reason of lack of funds or work, or ~~organization~~ reorganization, and for the recall of employees so laid off, giving primary consideration in layoffs to the employee's performance record and ~~secondary consideration to the length of service.~~ An employee who has been laid off may be on a recall list for one year, which list shall be exhausted by the ~~agency~~ organizational unit enforcing the layoff before selection of an employee may be made from the promotional or nonpromotional list of ~~eligibles~~ in the employee's classification. Employees who are subject to contracts negotiated under chapter 20 which include layoff and recall provisions shall be governed by the contract provisions.

~~23. For the establishment of work test appointments to job classifications such as laborers, attendants, aides, food service workers, laundry workers, custodial workers, or similar types of employment when the character of the work makes it impracticable to effectively supply the needs of the departments by written or other type of competitive examination. If this subsection conflicts with any other provisions of this chapter, the provisions of this subsection govern the positions to which it applies. All persons appointed to the positions specified in this subsection shall serve a probationary period in accordance with this chapter, may acquire permanent status, and are subject to the same rules as other employees. Such persons shall be required to pass promotional examinations as prescribed by this chapter and the rules adopted by the director before they may be promoted to a higher classification.~~

Sec. 13. NEW SECTION. 19A.12D IOWA STATE EMPLOYEE DEFERRED COMPENSATION MATCH TRUST FUND.

1. There is created in the office of the treasurer of state a special fund, separate and apart from all other public moneys or funds of this state, to be known as the Iowa state employee deferred compensation match trust fund, hereafter called the "fund". The fund shall consist of all moneys deposited in the fund, and other assets that must be held in trust for the exclusive benefit of participants in the state's deferred compensation match program as required by section 401 (a) of the federal Internal Revenue Code, and interest and earnings thereon, and shall be used for the exclusive benefit of participants and their beneficiaries in a deferred compensation match program established by the state under section 509A.12.

2. The director is the trustee of the fund and shall administer the fund. Any loss to the fund shall be charged against the trust and the director shall not be personally liable for such loss.

3. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

Sec. 14. NEW SECTION. 19A.12E STATE EMPLOYEE DEPENDENT CARE SPENDING ACCOUNT TRUST FUND.

1. There is created in the state treasury a special trust fund known as the Iowa state employee dependent care spending account trust fund. The trust fund consists of all moneys, including monthly administrative charges paid by a state department or agency as authorized by section 19A.8, held in trust for the exclusive benefit of participants in the state's dependent care spending account plan. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest and earnings from moneys in the trust fund shall be credited to the trust fund and shall be used exclusively for the benefit of plan participants.

2. The director shall serve as trustee of the trust fund and shall administer the fund as required by sections 125 and 129 of the federal Internal Revenue Code. Any loss to the fund shall be charged against the fund and the director shall not be personally liable for such loss. The director has the authority to direct expenditures as deemed appropriate to the exclusive benefit of the plan participants.

Sec. 15. Section 19A.13, unnumbered paragraphs 1 and 2, Code 1999, are amended to read as follows:

A state disbursing or auditing officer shall not make or approve or take part in making or approving a payment for ~~personal service~~ personnel services to any person unless the payroll voucher or account of the pay bears the certification of the director, or of the director's authorized agent, that the persons named have been appointed and employed in accordance with this chapter and the rules and orders under it, and that funds are available for the payment of the persons.

The director may, for proper cause, withhold certification from an entire payroll or from any specific item or items thereon. The director may, however, provide that certification of payrolls may be made once every ~~six months~~ year, and such certification shall remain in

effect except in the case of any officer or employee whose status has changed after the last certification of the officer's or employee's payroll. In the latter case no voucher for payment of salary to such employee shall be issued or payment of salary made without further certification by the director.

Sec. 16. Section 19A.15, unnumbered paragraph 2, Code 1999, is amended to read as follows:

Any applicant for a position subject to the provisions of this chapter shall be permitted to review, in accordance with such rules as the director may prescribe, any ~~test, grade, or~~ evaluation resulting from the application for employment.

Sec. 17. Section 19A.16, Code 1999, is amended to read as follows:

19A.16 SERVICES TO POLITICAL SUBDIVISIONS.

The director may enter into agreements with any municipality or political subdivision of the state to furnish services and facilities of the agency to the municipality or political subdivision. The agreement shall provide for the reimbursement to the state department of the reasonable cost of the services and facilities furnished. All municipalities and political subdivisions of the state are authorized to enter into such agreements.

Nothing in this chapter shall affect any municipal civil service programs presently established under and pursuant to chapter 400.

Sec. 18. Section 19A.19, unnumbered paragraph 1, Code 1999, is amended to read as follows:

~~No~~ A person shall not make any false statement, certificate, mark, rating, or report with regard to any ~~test, certification, examination~~ or appointment made under ~~any provision of~~ this chapter or in any manner commit or attempt to commit any fraud preventing the impartial execution of this chapter and the rules hereunder adopted pursuant to this chapter.

Sec. 19. Section 19A.19, unnumbered paragraph 3, Code 1999, is amended to read as follows:

~~No~~ An employee of the department, ~~examiner, or any other person~~ shall not defeat, deceive, or obstruct any person in the person's right to examination, ~~eligibility certification,~~ or appointment under this chapter, or furnish to any person any special or secret information for the purpose of affecting the rights or prospects of any person with respect to employment in the merit system.

Sec. 20. Section 19A.35, subsection 2, Code Supplement 1999, is amended to read as follows:

2. There is created in the state treasury a special trust fund known as the Iowa state employee health flexible spending account trust fund. The trust fund consists of all moneys appropriated to the fund, all monthly administrative charges paid by a state department or agency as authorized by section 19A.8, and any other assets directed to be held in trust for the exclusive benefit of participants in the state's health flexible spending account plan. Notwithstanding section 12C.7, interest and earnings from moneys in the trust fund shall be credited to the trust fund and shall be used exclusively for the benefit of plan participants.

Sec. 21. Section 70A.16, subsection 1, Code 1999, is amended to read as follows:

1. If approved by the appointing authority, a person who interviews for employment by the state shall be reimbursed for expenses incurred in the interview ~~at the same rate at which a state employee is reimbursed for expenses incurred during the performance of state business.~~

Sec. 22. Section 70A.25, subsection 1, paragraph a, Code 1999, is amended to read as follows:

a. "Educational assistance" means reimbursement for tuition, fees, books or other expenses incurred by a state employee in taking coursework at an educational institution or attending a workshop, seminar, or conference without a reduction in ordinary job responsi-

bilities and that the appointing authority determines contributes to the growth and development of the employee in the employee's present position or in a position to which the employee may reasonably be assigned.

Sec. 23. Section 70A.25, subsection 1, paragraph c, Code 1999, is amended to read as follows:

c. "Educational leave and educational assistance" do not apply to job training, ~~and~~ employee development programs, ~~and or~~ departmental seminars that are conducted or sponsored by a state agency ~~for the exclusive benefit of employees of that state agency.~~

Sec. 24. Section 70A.25, subsection 2, unnumbered paragraph 1, Code 1999, is amended to read as follows:

The purpose of educational leave with full or partial pay and educational assistance is to assist state employees to develop skills that will improve their ability to perform ~~their present state~~ job responsibilities or in the case of educational leave to also provide training and educational opportunities for employees of a state agency that will enable the agency director to better meet the staffing needs of the state agency.

Sec. 25. Section 70A.31, Code 1999, is amended to read as follows:

70A.31 ELIGIBILITY.

The phased retirement incentive program requires that participants agree to work a maximum of thirty-two hours per week and a minimum of twenty hours per week for the first four years after entering the program. After the fourth year of participation in the program, participants shall agree to work a maximum of twenty hours per week. Participants shall agree to retire from state government employment effective ~~on~~ no later than the last day of their fifth year of participation in the program.

Sec. 26. IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM — EMPLOYEE WAGES.

1. Notwithstanding section 97B.1A, subsection 26, paragraph "a", subparagraph (2), subparagraph subdivision (d), as enacted in 2000 Iowa Acts, Senate File 2411,¹ "wages" as defined in section 97B.1A, subsection 26, for an eligible employee of an eligible employer shall include allowable employer-paid contributions which are uniformly applied by each eligible employer to all of the employer's eligible employees and are not limited to highly compensated employees as defined in section 414(q) of the Internal Revenue Code.

2. For purposes of this section:

a. "Allowable employer-paid contributions" means employer-paid contributions that cannot be received by the employee in cash and that are made to plans, programs, or arrangements qualified under section 125 of the Internal Revenue Code.

b. "Eligible employee" means an employee of an eligible employer who is covered under chapter 97B and was employed by the eligible employer prior to July 1, 2000.

c. "Eligible employer" means an employer covered by chapter 97B who meets all of the following requirements:

(1) The employer included allowable employer-paid contributions in employees' wages continuously from January 1, 1997, through January 1, 2000.

(2) The employer includes allowable employer-paid contributions in employees' wages for all eligible employees of the employer on and after July 1, 2000.

3. An eligible employer may file a written election with the department of personnel to exclude allowable employer-paid contributions from wages of every eligible employee of the employer and shall cease being an eligible employer for purposes of this section upon filing the election. An election by an eligible employer to exclude allowable employer-paid contributions is irrevocable and no retroactive wage adjustment shall be permitted for eligible employees following the election. An eligible employee shall not be permitted to file a written election to exclude allowable employer-paid contributions from that eligible employee's wages.

¹ Chapter 1077, §20 herein

Sec. 27. EFFECTIVE DATE — RETROACTIVE APPLICABILITY.

1. The amendment to section 19A.9, subsection 12, in section 12 of this Act, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to January 1, 2000, and is applicable on and after that date.

2. Section 14 of this Act, creating new section 19A.12E, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to January 1, 2000, and is applicable on and after that date.

Approved May 8, 2000

CHAPTER 1172

TRADITIONAL LIVESTOCK PRODUCERS — LINKED INVESTMENT LOANS

S.F. 2010

AN ACT relating to the traditional livestock producers linked investment loan program by modifying eligibility requirements, and providing for a temporary preference in executing agreements.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. DIRECTIONS TO TREASURER OF STATE — PSEUDORABIES. When entering into agreements with eligible lending institutions to receive traditional livestock producers linked investment loans as provided in section 12.43A, the treasurer of state shall provide a preference in entering into agreements in order to increase the availability of lower cost loans to traditional livestock producers who have liquidated swine herds on or after March 1, 2000, including by depopulation, due to the infection of pseudorabies.

Sec. 2. Section 12.43A, subsection 1, paragraph d, Code Supplement 1999, is amended to read as follows:

d. "Traditional livestock producer" means a person who is the owner and operator of livestock subject to care and feeding at a livestock operation in which the person holds a legal interest. The person may own the livestock or own the livestock jointly with another person. ~~As the owner operator, the~~ The person must make daily be actively engaged in the livestock operation by making management decisions and perform performing physical work which significantly contributes to relating to the care and feeding of the livestock on a regular, continuous, and substantial basis in a manner that is essential to the success of the livestock operation.

Sec. 3. Section 12.43A, subsection 3, paragraphs c and d, Code Supplement 1999, are amended to read as follows:

c. The gross income earned by the borrower's farm operation must be more than fifty thousand dollars but not more than ~~three~~ five hundred thousand dollars for the borrower's last tax year.

d. At least fifty percent of the average annual gross income earned by the borrower's farm operation ~~during the last tax year must derive~~ derives from livestock owned and sold by the borrower. The average annual gross income shall be computed as the average of the gross income earned by the farm operation in the three preceding tax years.

Sec. 4. REPEAL. Section 1 of this Act is repealed on July 1, 2001.

Approved May 9, 2000